Enrolment No. _____

AHMEDABAD UNIVERSITY

AMRUT MODY SCHOOL OF MANAGEMENT

UNDERGRADUATE / GRADUATE PROGRAMMES

2023-2024 WINTER SEMESTER

END SEMESTER EXAMINATION

MKT661: LUXURY MARKETING

Date: 24-Apr-2024 Total Marks: 30

Time: 2 hours No. of printed pages: 04

- This is an open-book exam. This means -
  - You may bring/use any paper material, including books, papers, printouts, notes, etc.
  - Soft copies in any form are prohibited.
  - You may **NOT** use electronic devices of any kind.
  - You may **NOT** share materials with anyone. If you do not have your book or notes, you must do without them.
  - You may **not** consult anyone else.
  - No exceptions to the above rules will be entertained, and violations will be reported to higher authorities as instances of cheating for disciplinary action.
- You will be graded on logic, originality, appropriateness, and the ability to use multiple luxury marketing concepts discussed in class in answering questions. Simple copying of sentences from the notes will not necessarily be the best answer.
- Brevity is the hallmark of a good answer. Unnecessarily long answers are not necessarily better answers. Write only as much as necessary, and answer questions to the point.
- Answer **all** questions.
- **Maximum marks: 30**
- The duration of this exam is **2 hours.**
- *All the best*!

Question 1:

Imagine that you are the owner of a luxury conglomerate that has different luxury brands. Each brand stands independently, following different types of luxury business models. At the corporate level, you allow all the brands to maintain their own distinct identities. As a conglomerate, you have the resources to help new and existing brands manage their operations effectively.

The conglomerate owns a brand that is known for luxury travel bags and accessories but also sells luxury jewelry, ready-to-wear, perfumes, and cosmetics. It has a brand that is known for haute couture but also sells ready-to-wear, perfumes, cosmetics, and sunglasses. It has a brand that is known for its perfumes but also sells cosmetics and sunglasses. It has a brand known for its home décor but has also entered the luxury hotel industry. Similary, it has other luxury brands too.

As a conglomerate, you want to enter into the luxury yacht sector and launch a separate luxury yacht brand. The biggest luxury conglomerate, LVMH, has already entered into this sector. The luxury yacht brand might become an important brand in your conglomerate.

Considering the above situation, you have to answer the following questions:

a) What will be your long-term goals (10-15 years)? Why? **[0 marks]**

b) Based on your goals, which luxury business model will you choose? Why? **[1 marks]**

c) Based on your goals and your business model, explain how you will manage your distribution and communication. **[4 marks]**

d) How would you use advanced technologies and artificial intelligence for retailing and communication? **[2 marks]**

e) How will you carry out the artification of your luxury yacht brand? What will be the role of your other luxury brands in this process? **[2 marks]**

f) How will you carry out the artification of your other brands with the help of your luxury yacht brand? **[1 marks]**

Question 2:

Imagine that you are a big business person with deep pockets. Watching the profitability of Luxury companies, you also want to start a luxury company. However, you do not want to start a new brand. Instead, you want to buy a luxury brand and then grow it further. You decide to buy an old luxury brand that has stopped its business.

After an extensive search, you have decided to purchase a French luxury brand, "Plumier," that started in 1900 but closed down during world war 2 during the Nazi occupation of France. The brand used to make luxury writing instruments. The pens of this brand were used by some of the most famous people in the early 1900s.

The brand was known for its craftsmanship as it used precious metals, fine resins, and sometimes even gemstones to embellish its writing instruments. The brand's power can be estimated by the very high prices offered by collectors to get hold of a "Plumier" pen.

You understand that, in today's world, the demand for luxury pens is not the same as it was in the 1900s. Hence, you do not want to limit yourself to only writing instruments. Instead, you would like to stretch the brand and launch multiple products under its name.

Considering the above situation, you have to answer the following questions:

a) What will be your long-term goals (10-15 years) in relaunching this luxury brand? Why? **[0 marks]**

b) Based on your goals, which luxury business model will you choose? Why? **[1 marks]**

c) Based on your goals and business model, what kind of products would you create? Why? **[2 marks]**

d) Based on your goals and your business model, explain how you will manage your distribution and communication. **[4 marks]**

e) What are the different ways in which you will use the process of artification? **[3 marks]**

Question 3:

Imagine that you have a deep passion for skincare. Importantly, you are also a trained cosmetic scientist who can create unique cosmetic products using different ingredients. You see yourself as starting a luxury skincare brand in the future. Over the years, you have accumulated 50 million euros worth of funds for this purpose.

To find the best skincare solutions, you have researched skincare practices of different societies and cultures in various countries worldwide. You have also researched ancient practices of skincare around the world.

While searching for skincare secrets in the ancient texts, you found the mention of a flower whose paste, mixed with other local ingredients, makes a person look years younger when applied to the face. However, this flower can only be grown in a particular Himalayan region, giving flowers only once a year. You invested a significant part of your funds to get an exclusive leasing agreement with the local government to grow this plant for the next 100 years.

You tried to emulate the properties of this paste in your lab using other ingredients but could only achieve 60% effectiveness. Most of the ingredients that you used are from different plant extracts, and some are from fish liver fats.

Considering the above situation, you have to answer the following questions:

a) What will be your long-term goals (10-15 years)? Why? **[0 marks]**

b) Based on your goals, which luxury business model will you choose? Why? **[1 marks]**

c) Based on your goals and business model, explain how you will manage your distribution and communication. **[4 marks]**

d) How would you focus on sustainability? Explain in terms of 2-3 critical dimensions of your business. **[2 marks]**

e) Which of the 2-3 anti-laws of marketing are you breaking? How?
Or, if you are not breaking any anti-laws of marketing, then describe 2-3 anti-laws that are particularly important for your business model. How?
[3 marks]